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Dee May
Director
Federal Regulatory Affairs



July 13, 1999

Ex Parte

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

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JUL 13 1999
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: CC Dockets 96-98/Second Further Notice of Proposed Rulemaking In the Matter of the Local Competition Provisions in the Telecommunications Act of 1996

Bell Atlantic met today with representatives of the Common Carrier Bureau in the above proceeding. J. Pachulski, A. Trinchese, and I represented Bell Atlantic. Attending from the Common Carrier Bureau of the FCC were J. Jennings, C. Fox, C. Libertelli, J. Donovan-May, D. Kirschner, C. Matthey, A. Mastando, and S. Williams. J. Stanshine represented OET. Material used in the discussion is attached.

Please feel free to call me with any questions.

Sincerely,

A handwritten signature in cursive script that reads "Dee May".
Attachment

Cc: J. Donovan-May
C. Fox
J. Jennings
D. Kirschner
C. Libertelli
A. Mastando
C. Matthey
J. Stanshine
S. Williams

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UNE REMAND PROCEEDING

Bell Atlantic

July 13, 1999



The Supreme Court set forth the interpretation of the law to be followed

- The Commission cannot simply reissue its original unbundling rules and add to the list of network elements that must be unbundled.
- The Commission must apply the “necessary” and “impair” standards of the statute.
- If an element does not meet the statutory standard, the Commission cannot require unbundling of that element for other reasons.
- The Supreme Court required the Commission to consider the availability of network elements outside the incumbents’ networks in applying the statutory standard.

The market has changed since the FCC originally defined the unbundled elements.

- During the last 3 years, CLECs have invested heavily in their own facilities or obtained them from other sources to provide competitive telecommunications services.
- All of this competitive investment and activity occurred in the absence of a UNE Platform requirement. Imposition of a UNE Platform requirement would have a chilling effect on this competitive investment.
- Alternatives to the incumbents' network elements already exist. The real issue is how to reflect the availability of those alternatives in the Commission's unbundling rules.

The Commission should set national unbundling standards that do not require unbundling where alternatives already exist.

- For advanced services equipment, directory assistance, operator services and signaling, alternatives already exist throughout the country. The Commission's unbundling standard should not require these elements to be unbundled.
- For other elements, such as switching, CLEC investments have been focused in more lucrative areas. The Commission's unbundling standard should not require these elements to be unbundled in those specific markets where alternatives exist.



Switching is no longer required as an unbundled element where CLECs have already deployed their own switches.

- CLECs have deployed hundreds of their own switches, particularly in the densely populated areas of the Bell Atlantic region.
- A UNE Platform requirement would discourage further switch deployment.
- The UNE Fact Report, using a conservative analysis, demonstrates the availability of alternatives to incumbents' switching network element.
- The UNE Fact Report does not overstate the availability of alternative switching.

Switching (cont'd)

- *Allegation:* AT&T states that the Report includes 4ESS switches and that 4ESS can not be used for local service.
- *Response:*
 - The count of switches is conservative.
 - 4ESS switches account for less than 5% of total switches included in the UNE Fact Report
 - AT&T admits these switches are used for local switches
 - Assuming AT&T is correct-4ESS can not serve the MASS Market
 - AT&T can still service dedicated access customers comprising 70% AT&T business revenues



Switching (cont'd.)

- *Allegation:* AT&T claims that switches are capacity limited.
- *Response:* These claims are irrelevant.
 - Switches are not market limited
 - Available switches can serve large numbers of lines: 100,000-200,000
 - The conservative number of switches identified in the UNE Fact Report demonstrates that they can service over 30% of the ILEC access lines

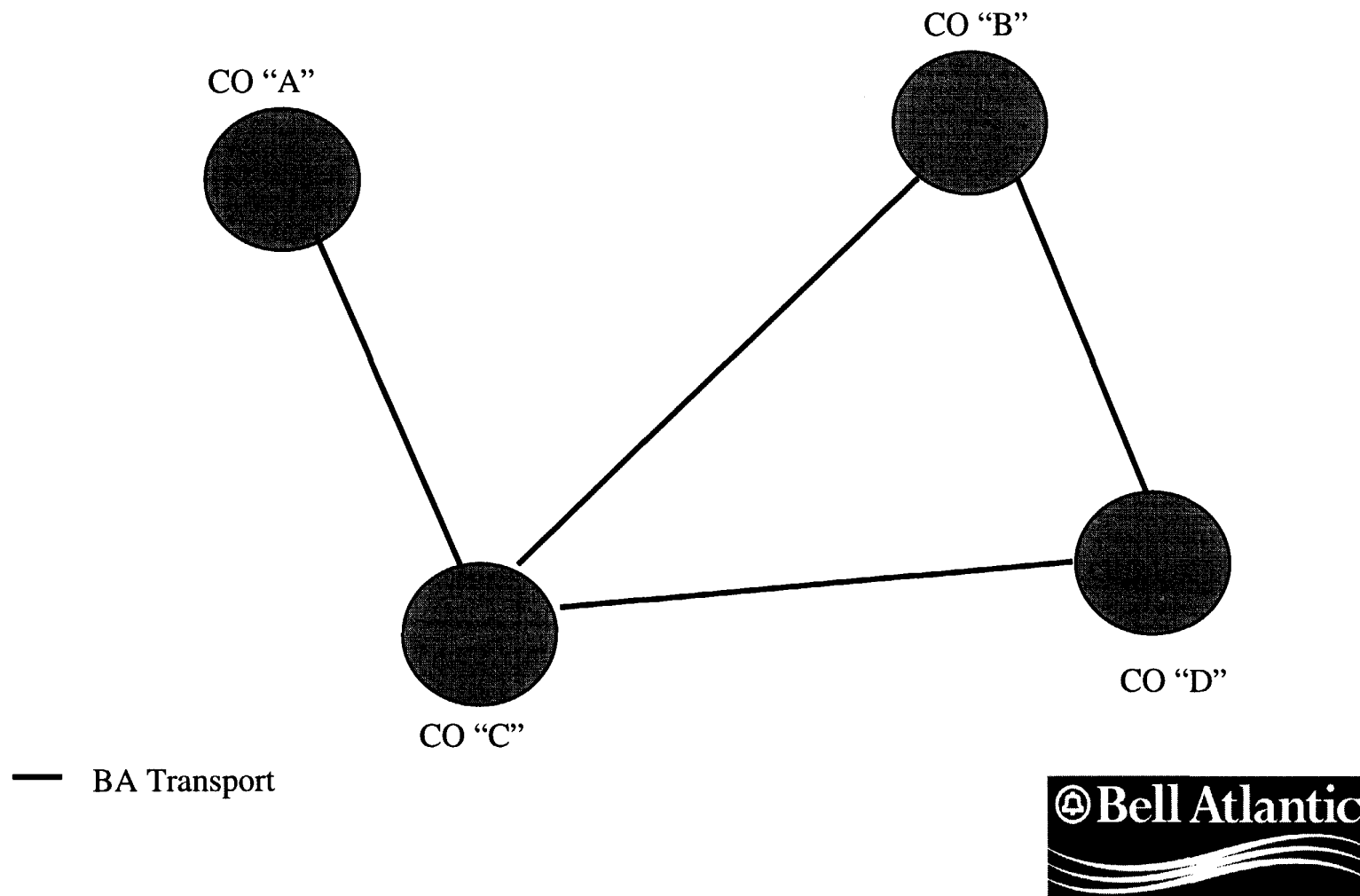
Transport is no longer required as an unbundled element where alternative transport facilities have been deployed.

- CLECs and other companies have built alternative transport facilities in many areas.
- Requiring loop and transport combinations would create disincentives to further transport deployment.
- Transport, particularly special access, has been available competitively since 1994 and prior to that in NY. This occurred without access to unbundled transport elements or combinations.

Transport (cont'd)

- CLEC claims that alternative transport must mirror the ILEC network are baseless.
 - CLEC transport need not be deployed directly between individual points in order to provide a competitive alternative
 - CLECs can deploy to individual BA central offices and connect at common points (such as SONET Nodes)
 - BA Transport is not physically “point to point” as portrayed by the CLECs

Point To Point Infrastructure



Transport (cont'd)

- Not only is transport available on an alternative basis, but fiber loops are as well
- A transport wholesale market does exist
 - MFN
 - BA Trial agreement
 - Focal
 - Level 3
 - Allegiance
 - KMC Telecom
 - MCI WorldComm
 - Hyperion & e. Spire
 - ELI and Touch America
 - RCN and MCI WorldComm



Metropolitan Fiber Network (MFN) : Competitive Alternate Transport Terminal (CATT) Service

- A service developed in response to an MFN request.
- Provides for:
 - a shared, alternate splice point within a Bell Atlantic central office at which a third party competitive facility provider (CFP) can terminate its facilities for distribution to Collocation arrangements within that central office
 - Splicing of the CFP's facilities at or near the cable vault
- Collocated customer can utilize CFP fiber for transport for both physical and virtual collocation arrangements.



Metropolitan Fiber Network (MFN) Request (cont'd)

- Service Description:
 - A maximum of 432 and a minimum of 72 fibers of the CFP's facilities may be spliced at the CATT. At the option of the CFP, up to an additional 432 diversely routed fibers may be spliced at the CATT, provided that separate entry is available. In those central offices with only one entry point, a CFP may requests Special Construction of any additional entry points.
 - Splicing of the CFP's fiber optic cable will be accomplished using standard splicing measures or fusion splicing.
 - A minimum of 24 fibers must be terminated at the CATT for use in the central office.
 - The CFP is responsible for all splicing done at the CATT.



Collocation is not an impediment to competition

- Bell Atlantic has established over 1634 physical and 264 virtual collocation arrangements. Additionally, 495 augments have been completed. *
- Since January 1999 to June 1999 BA has received approximately 2020 applications for collocation and is meeting demand in a timely manner.
- Bell Atlantic virtual on time performance for April is 100% and for physical 98.3%.
- 628 central offices have collocation in place and an additional 270 central offices have collocation arrangements underway.

* As of April 1999



Collocation is not an impediment to competition (cont'd)

- BA provides a variety of collocation alternatives to satisfy CLEC needs
 - Traditional Physical Collocation
 - Caged arrangements ranging from 25 sq. ft. to 400+ sq. ft.
 - Secured Collocation Open Physical Environment (SCOPE)
 - Shared, segregated, secured common area available in single bay increments, without requiring the construction of a cage
 - Collocation Open Physical Environment (CCOE).
 - Shared, secured area available in single bay increments without requiring the construction of a cage.
 - Shared Cage arrangements
 - Host CLECs enter into sublease arrangements with guest CLECs to share a single collocation cage.
 - The guest can order services/elements directly from BA after obtaining a LOA from the host.



Collocation is not an impediment to competition (cont'd.)

- BA provides a variety of collocation alternatives to satisfy CLEC needs (cont'd)
 - Microwave Collocation
 - The transport portion of this arrangement enters from the roof of the central office rather than the cable vault.
 - In addition to one of the Physical or Virtual collocation arrangements additional space is required near the roof for transmitter and receiver equipment
 - Virtual Collocation
 - CLECs can utilize virtual collocation to place equipment in a BA central office and have BA maintain and repair the equipment for the CLEC.
 - Adjacent Collocation
 - Where no additional physical collocation space is available, the CLEC can build or otherwise procure a CEV or similar structure on BA property.



Conclusion

- The Commission's unbundling standard should recognize the presence of alternatives to incumbents' network elements and, at a minimum not require unbundling of those elements in those markets where alternatives exist.
- The Commission should preserve existing incentives for investment in competing switches by not requiring UNE Platform.
- The Commission should preserve existing incentives for investment in competing transport facilities by not requiring loop and transport combinations.